



POSTAL SERVICE

39 CFR Part 492

Collection of Delinquent Non-tax Debts by Administrative Wage Garnishment

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: The United States Postal Service proposes to add a provision to its regulations in order to implement the administrative wage garnishment (AWG) provisions of the Debt Collection Improvement Act of 1996 (DCIA), and to allow the Bureau of the Fiscal Service (BFS) of the United States Treasury to collect debts owed to the Postal Service, that the Postal Service refers to BFS for collection, by AWG.

DATES: Comments must be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Mail or deliver written comments to Ruth Stevenson, U.S Postal Service, 475 L'Enfant Plaza SW, Room 6416, Washington, D.C. 20260-1150.

You may inspect and photocopy all written comments at USPS Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor North, Washington, D.C., by appointment only between the hours of 9 a.m. and 4 p.m., Monday through Friday. Call 1-202-268-2906 in advance for an appointment. Email comments, containing the name and address of the commenter, may be sent to:

awgcomments@usps.gov. Faxed comments are not accepted.

FOR FURTHER INFORMATION CONTACT: Ruth Stevenson at (202) 268-6724.

SUPPLEMENTARY INFORMATION:

After providing debtors with the requisite opportunity for notice and review, the Postal Service currently may refer non-tax delinquent debts to the United States Treasury Bureau of the Fiscal Service (BFS), formerly the Financial Management Service (FMS), for centralized collection and/or offset. Among other potential collection tools, BFS may utilize Administrative Wage Garnishment (AWG) to collect delinquent debts referred to it by federal agencies. AWG allows a federal entity to enforce collection of a debt by garnishing wages the debtor receives from a non-federal (private) employer after affording the debtor with notice and certain administrative proceedings, including the right to a hearing.

Provisions of the DCIA, codified at 31 U.S.C. 3720D, authorize Federal agencies to collect non-tax debt owed to the United States by AWG. The Treasury has also issued an implementing regulation at 31 CFR 285.11. However, before BFS may utilize AWG to collect debts that the Postal Service refers to it, the Postal Service must first implement regulations authorizing the collection of non-tax delinquent debt by AWG. The Postal Service accordingly proposes to add new part 492, containing section 492.1, to title 39 of the Code of Federal Regulations in order to authorize collection of Postal debts by AWG.

The regulation proposed by the Postal Service provides that the Treasury regulation, 31 CFR 285.11, shall apply to AWG proceedings conducted by, or on

behalf of, the Postal Service. Section 285.11 includes procedural protections, including notice requirements and hearing procedures, to allow individuals to contest the existence or amount of the debt and/or to assert that collection by garnishment would present an undue hardship prior to collection by AWG. BFS will pursue AWG on behalf of the Postal Service as part of its normal debt collection process. This includes issuing notices to debtors and garnishment orders to employers, as well as conducting required administrative hearings on behalf of the Postal Service, in accordance with the procedures contained in 31 CFR 285.11.

AWG, which involves the garnishment of wages a debtor receives from a private employer, is a separate procedure from administrative salary offsets taken from current federal employees' salaries (including Postal employees' salaries) in order to satisfy a debt owed to the United States. See 5 U.S.C. 5514; 39 CFR part 961. It is also a distinct procedure from the garnishment of current Postal Service employee and Postal Service Rate employee salaries, as detailed in 39 CFR part 491. Accordingly, the procedures contained in these provisions are not affected by this rule. In addition, the provisions pertaining to administrative offset contained in 39 CFR part 966 are not affected by this rule. As noted, the Postal Service must afford individuals with notice and an opportunity for review prior to referring a debt to the Treasury for collection and/or administrative offset, in accordance with ELM 470-480 and/or 39 CFR part 966, if applicable. Treasury may then determine to pursue collection of the debt

by AWG, after providing the debtor with any additional process or procedures required by 31 CFR 285.11.

List of Subjects in 39 CFR Part 492

Administrative practice and procedure, Claims, Wages.

For the reasons stated in the preamble, the Postal Service proposes to add 39 CFR part 492 as set forth below:

PART 492—ADMINISTRATIVE WAGE GARNISHMENT FROM NON-POSTAL SOURCES

Authority: 31 U.S.C. 3720D; 39 U.S.C. 204, 401, 2601; 31 CFR 285.11.

§ 492.1 Collection of delinquent non-tax debts by administrative wage garnishment.

(a) This section provides procedures for the Postal Service to collect money from a debtor's disposable pay by means of administrative wage garnishment, in accordance with 31 U.S.C. 3720D and 31 CFR 285.11, to satisfy delinquent nontax debt owed to the United States.

(b) The Postal Service authorizes the United States Treasury Bureau of the Fiscal Service or its successor entity to collect debts by administrative wage garnishment, and conduct administrative wage garnishment hearings, on behalf of the Postal Service in accordance with the requirements of 31 U.S.C. 3720D and the procedures contained in 31 CFR 285.11.

(c) The Postal Service adopts the provisions of 31 CFR 285.11 in their entirety. The provisions of 31 CFR 285.11 should therefore be read as though

modified to effectuate the application of that regulation to administrative wage garnishment proceedings conducted by, or on behalf of, the U.S. Postal Service.

Stanley F. Mires,

Attorney, Legal Policy & Legislative Advice.

*[FR Doc. 2014-09295 Filed 04/23/2014 at 8:45 am; Publication Date:
04/24/2014]*